# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

UNSTARRED QUESTION NO:70
ANSWERED ON:01.03.2005
EXPORT OF DIAMOND AND JEWELLERY
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**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) the details of export of diamonds-jewellery during each of the last three years and thereafter till date;

(b) the foreign exchange earned by export during this period;

(c) the share of each State particularly Maharashtra in the export of diamond and jewellery and there is any scope of increase in exports; and

(d) target set for export of diamond and jewellery for 2005-06 and steps taken to achieve the target?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) The details of export of diamonds and jewellery from the country during each of the last three years and thereafter till June, 2005 are as under:

Value: US$ Million

| Items | 2001-02 | 2002-03 | 2003-04 | 2004-05 (April-June) (Provisional) |
|---|---|---|---|---|
| Cut & Polished Diamonds | 5892.18 | 7384.92 | 8239.86 | 2041.45 |
| Jewellery Studded with Diamonds | 553.09 | 718.54 | 934.43 | 247.56 |

Source: DGCI&S (www.commerce.nic.in)

(b) The value of foreign exchange earned by India on the total exports during the last three years till January, 2005 is as under:

Value: US$ Million

| Items | 2001-02 | 2002-03 | 2003-04 | 2004-05 (April-January) (Provisional) |
|---|---|---|---|---|
| Total Exports from India | 43827 | 52719 | 63843 | 60754.46 |

Source: DGCI&S

(c)& (d) The share of exports of gems & jewellery through the following notified ports during the last three years is as follows:

Port-wise % share of exports of gems & jewellery during the last 3 years

| | Cut & Polished Diamonds | | | Gold Jewellery (Plain & Standard) | | |
|---|---|---|---|---|---|---|
| Port | 2003-04 | 2002-03 | 2001-02 | 2003-04 | 2002-03 | 2001-02 |
| | % | % | % | % | % | % |
| Mumbai | 97.31 | 98.30 | 97.91 | 56.74 | 70.19 | 66.16 |
| Delhi | 0.00 | 0.01 | 0.01 | 15.13 | 14.71 | 17.53 |
| Jaipur | 0.06 | 0.05 | 0.05 | 1.66 | 2.22 | 1.93 |
| Chennai | 0.03 | 0.03 | 0.05 | 1.34 | 1.71 | 1.59 |
| Cochin | 0.00 | 0.00 | 0.00 | 0.23 | 0.43 | 0.43 |
| Coimbatore | 0.00 | 0.00 | 0.00 | 0.28 | 0.48 | 0.88 |
| Bangalore | 0.00 | 0.00 | 0.00 | 20.60 | 4.22 | 5.08 |
| Hyderabad | 0.00 | 0.00 | 0.00 | 0.36 | 0.98 | 1.06 |
| Kolkata | 0.00 | 0.00 | 0.00 | 3.33 | 4.98 | 5.26 |
| Surat | 2.60 | 1.62 | 1.98 | 0.34 | 0.06 | 0.08 |
| Total | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

Source: Gem & Jewellery Export Promotion Council (GJEPC), Mumbai

The target set for exports of gems and jewellery for the year 2005-06 is US$ 15434 million. In the Foreign Trade Policy effective from 1st September, 2004, export of gems & jewellery has been identified as a thrust sector and has been extended the following facilities:

(i) Import of gold of 18 carat and above shall be allowed under the replenishment scheme.

(ii) Duty free import entitlement of consumable for metals other than gold, platinum shall be 2% of FOB value of exports during the previous financial year.

(iii) Duty free import entitlement of commercial samples shall be Rs.1 lakh.

(iv) Duty free re-import entitlement for rejected jewellery shall be 2% of the FOB value of exports.

(v) Cutting and polishing of gems and jewellery, shall be treated as manufacturing for the purposes of exemption under Section 10A of the Income Tax Act.

Some other facilities extended to the gem & jewellery export sector include duty and licence free import of rough diamonds, exploration of direct procurement of rough diamonds from diamond mining countries, creating training infrastructure in this sector with the financial assistance from the government to impart skills in designing in jewellery sector, participation in international fairs and organizing buyer-seller meets abroad.